



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

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STATE SUPERINTENDENT

April 3, 2013

MEMORANDUM

TO: State Board of Education

FROM: Martin Ackley, Director, Office of Public and Governmental Affairs

SUBJECT: State and Federal Legislative Update

MICHIGAN HOUSE OF REPRESENTATIVES

The Education Achievement Authority (EAA) legislation (HB 4369) was introduced and reported from House Education committee last month with some significant changes from its inception last session. The bill passed by a vote of 57-53. It now will move to the Senate Education committee.

In general, HB 4369 now would:

- maintain a measure of local control initially, by allowing ISDs the opportunity to oversee the school's reform plan;
- no longer include direct placement into the EAA, as other factors may be considered by the State School Redesign Officer and the Chancellor;
- assert the authority for appointing the State School Redesign Officer will remain with the State Superintendent;
- include exit strategies from the EAA;
- no longer include a statewide inventory of school buildings or forced ownership;
- permit the use of sinking funds by the EAA to improve school buildings, upon agreement with the local school district;
- require an incremental approach capped at 50 schools being in the EAA; and
- require EAA achievement schools to adhere to key sections of Revised School Code such as testing and teacher evaluation.

Also in March, the House Education committee heard testimony on House Bill 4276, which would prohibit the State Board of Education and MDE from implementing the Common Core State Standards. The bill also would require the SBE to rescind its adoption of these standards.

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Budget

The House Appropriations subcommittees on School Aid and Education reported their budgets on March 19. The following summarizes each budget bill's points of difference from the Governor's Executive Recommendation:

House Bill 4214 – Department of Education

- does not include funding (\$506,500) for additional staff (4 FTEs) in the department's charter schools office;
- requires an updated report on online education due March 1, 2014; and
- requires an updated report on the number of child care providers by Nov. 1, 2014.

House Bill 4227 – School Aid

- The \$65 million increase to Great Start Readiness Program (GSRP) proposed by Governor is reduced to \$50 million. Also revises requirement to 80% of children must live in less than 250% of poverty level (currently 90% at less than 300% of poverty). Also requires ISD to keep remaining slots if they try to contract at least 20% and the ISD must allow parent to choose among any provider the ISD administers as long as there is capacity.
- Alters pupil membership blend to 80% of pupils counted in the October count plus 20% of pupils counted on the following February count day.
- Beginning in FY 15, the foundation allowance for a cyber school is equal to 80% of the foundation of the district in which it is located, not to exceed the PSA maximum (this also includes students in 100% online model using seat time waiver).
- Eliminates the requirement for a statewide online course catalog.
- Reduces Best Practices incentive funding to a \$100 placeholder.
- Increases Technology Infrastructure Grants to \$50 million, from Governor's proposed \$13.5 million.
- Increases Performance Grants to \$46 million, from Governor's proposed \$30 million.
- Decreases Student-centric Grants to \$7 million, from Governor's proposed \$8 million.
- New Section 25e to revise the pupil transfer process for pupil accounting.
- Reduces the ISD general operations appropriation by \$2 million and reduces the ISD Best Practices to a \$100 placeholder.
- Increases appropriation to CEPI by \$99,800 to develop pupil transfer application required in Sec. 25.
- Removes the Governor's proposed changes to MVU.
- Increase the number of instructional days to 175 beginning in FY 14-15.

MICHIGAN SENATE

The Senate Education Committee met on March 13 and heard testimony on the Michigan Merit Curriculum.

There were no new Senate bills introduced and referred to the Senate Education Committee.

Budget

We currently are awaiting budget bills from the Senate Appropriations K-12, School Aid, MDE subcommittee.

FEDERAL

Continuing Resolution and Sequester

The Continuing Resolution (CR) agreement, extending funding for education programs and other parts of the federal budget at Fiscal Year 2013 levels through September 30, 2013, was signed by the President in March. The CR did not include the \$85 billion of the sequester's automatic, across-the-board budget cuts. It did include a boost of \$33.5 million to Head Start that only marginally reduces the impact of sequestration on this program.

The CR also included an additional across-the-board budget cut of 0.2%, which works out to about \$136 million of USED \$68 billion in discretionary funding. This cut applies to programs including Pell grants and child nutrition programs, which are exempt from sequestration.

The CR requires all federal agencies to submit an operating plan to Congress showing the amounts for programs, projects, and activities by April 25. It is not yet clear how these plans will fit with the President's sequestration order report.

USED News

April is Financial Literacy Month – visit www.mymoney.gov for resources for students, teachers, parents and caregivers.

If you have any questions or concerns regarding these or other legislative issues, please contact me at (517) 241-4395.